

# MINUTES

## SUSTAINABILITY AND RESOURCES COMMITTEE, SR-15

<b>Date:</b>	Tues 18 May 2021	<b>Time:</b>	1300
<b>Location:</b>	University House boardroom		

### Notes:

1. This Agenda is divided into three headings: Estates; Financials; and Human Resources / Employment. Each of these headings has a section 2 (For Discussion and/or Approval) and a section 3 (For Information).
2. Items marked with an asterisk (starred items) are for information only or regarded as noncontentious. Starred items will not be discussed and will be assumed to have been noted or approved unless a request to unstar a named item is received from a Board member in advance, or at the commencement, of the meeting.
3. Items classified as Confidential, and their subsequent minutes (highlighted here in blue), will be redacted before publication of the agenda and minutes on the University's public website.

<b>Members</b>		
Professor Liz Barnes	Vice Chancellor	P
Tuesday Forrest	Vice President, Students' Union	P
Hannah Gibbard	Professional Support Staff Representative	P
John Henderson	External Member	A
Mike Herbert	Co-opted Committee Member	P
Dr Cathryn Hickey (Deputy Chair)	External Member	P
Colin Hughes	External Member	P
Jonathan Vardon (Chair)	External Member	P
<b>In attendance</b>		
Ian Blachford	Chief Operating Officer and Clerk to the Board of Governors	IA
Professor Martin Jones	Deputy Vice Chancellor	IA
Sally McGill	Chief Financial Officer	IA
Andrew Proctor	Pro Vice Chancellor – Digital	IA
Lauren Rooke	Assistant Clerk to the Board of Governors (minutes)	IA

*P = Present (via Teams); A = Apologies; AB = Absent; L = Late; IA = In Attendance (via Teams)*

<b>1 MEETING MANAGEMENT</b>	
373	<b>Apologies for absence</b> were received from John Henderson.
374	There were no new <b>Declarations of interest</b> .
375	The <b>Minutes of the last meetings of the Committee</b> , 16 March 2021 SR/15/01 and SR/15/01a, were confirmed as true and accurate records.

376	<p><b>Matters arising:</b></p> <ul style="list-style-type: none"> <li>• <b>Minute 337 – Automated design update</b> – it was noted that a presentation covering this had been given at the 21 April 2021 Board of Governors meeting.</li> <li>• <b>Minute 345 (SR-14a) – Pensions</b> – it was noted that at the time of writing, no consultation response had been received from the unions, who were awaiting feedback from their regional officers.</li> <li>• <b>Minute 353 – Business villages</b> – it was noted that that this proposal was being progressed and an update would be presented at the appropriate time.</li> <li>• <b>Minute 354 – Lichfield</b> – it was noted that this proposal was being progressed and an update would be presented at the appropriate time.</li> <li>• <b>Minute 360 – Bad debt write-offs</b> – it was noted that this proposal had been approved at Board of Governors on 21 April 2021.</li> <li>• <b>Minute 2714 (BofG) – Student accommodation</b> – it was noted that following approval of the appointment of FCB at Board of Governors on 21 April 2021, a project update would be presented to the Committee at the appropriate time.</li> </ul>
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377	<b>The *Overview of annual business 2020-21*</b> SR/15/02 was received for information.
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**ESTATES AND INFRASTRUCTURE (E)**

**E2 FOR DISCUSSION AND/OR APPROVAL**

378	<p>The Committee received for discussion the <b>Estates overview</b> SR/15/03, introduced by the Pro Vice Chancellor – Digital, who noted the following main points:</p> <ul style="list-style-type: none"> <li>• The report updated on progress on various projects, broadly summarised as follows:</li> <li>• Health Innovation Centre, Blackheath Lane, Stafford <ul style="list-style-type: none"> <li>○ The structure steel frame is complete along with the concrete floor deck.</li> <li>○ Internal alterations surrounding the library infills completed.</li> <li>○ All external works are well underway with external &amp; internal drainage completed.</li> <li>○ Project in budget and on programme for completion late October 2021.</li> </ul> </li> <li>• New Nursery and Forest School <ul style="list-style-type: none"> <li>○ Significant ground works have been carried out with completion of reduced level dig, installation of drainage and environmental vent tubes.</li> <li>○ Ground floor slabs completed, project in budget and on programme for completion in November 2021.</li> </ul> </li> <li>• Blackstone Recladding and Cadman roof improvement works <ul style="list-style-type: none"> <li>○ Project Tender costs returned through framework significantly higher than pre-tender estimates therefore scheme was to be put out to competitive tender to ensure value for money (this would be paused until after the Board of Governors’ discussion on future Masterplan).</li> </ul> </li> <li>• Student Village <ul style="list-style-type: none"> <li>○ Formal approval by the Board of Governors at an extraordinary meeting on Friday 5 March 2021.</li> <li>○ Multi-functional design appointed team led by FCB Studios supported by MACE as PM and cost consultants.</li> <li>○ An internal development board, chaired by the CFO, had been established, which would work with the consortium and other professional advisors to achieve RIBA Stage 3+ by early 2022.</li> </ul> </li> <li>• London Digital Institute expansion <ul style="list-style-type: none"> <li>○ Formal approval by the Board of Governors at an extraordinary meeting on Friday 5 March 2021.</li> <li>○ Lease agreement for the 2 new units (Offices 4 &amp; 12) in the Fabric Factory (Building D) confirmed with Here East.</li> <li>○ Planning application for change of use submitted on 23 March 2021 and vacant possession scheduled for 1 June 2021 with a realigned 5-yr rent review period for all units, including our existing space.</li> <li>○ The change of use consent had been granted.</li> <li>○ External contractors appointed and project works due to commence on 1 June for 15 weeks.</li> </ul> </li> <li>• Squires View <ul style="list-style-type: none"> <li>○ Progress with Council on acquisition had proved challenging and slow although this had now been escalated and a meeting was scheduled. Progressing with legal conveyancing.</li> </ul> </li> <li>• Disposal of Ex-Sports Field off Newcastle Road, Cotes Heath, Eccleshall, Stafford <ul style="list-style-type: none"> <li>○ Discussions with Council ongoing around next steps (following rejection of planning in principle).</li> </ul> </li> <li>• Sale of land at Lichfield College for coach park <ul style="list-style-type: none"> <li>○ Initial planning had started on withdrawing University presence at Lichfield once the sale of the car park was complete (it was expected that the bank charge would be removed mid-July).</li> </ul> </li> <li>• <b>Estates Masterplan</b> <ul style="list-style-type: none"> <li>○ Direction and sequencing of Estates Masterplan agreed at January 2020 Board Strategic Weekend and early projects (Nursery, Health Innovation Centre, Blackstone) had progressed as detailed above.</li> <li>○ The plan was currently being updated and refreshed for further discussion by the Board on 30 June 2021.</li> </ul> </li> </ul> <p>Members and attendees commented as follows:</p>
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- Mike Herbert commended the decision to escalate the situation with Squires View, with Liz Barnes confirming that she had also followed up with the relevant parties.
- Jonathan Vardon asked about options for increasing commercial benefit whilst developments were awaited on projects such as Lichfield, and Liz Barnes noted that the business village there had been at 100% occupancy currently, so that the Board should be assured that commercial opportunities were being leveraged whilst the estate matters continued.

379 The Committee received for discussion the **Catalyst building – project update** SR/15/04, introduced by the Deputy Vice Chancellor, who noted the following principal points:

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- [REDACTED]
- [REDACTED]
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- [REDACTED]
- [REDACTED]

[REDACTED]	[REDACTED]	[REDACTED]
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[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

- [REDACTED]

Members and attendees commented as follows:

- Martin Jones highlighted that Executive had recently toured the building and had been very encouraged by the progress made and the overall build.
- Mike Herbert asked for clarification on the practical completion and this was given by Martin Jones, who confirmed that the date was likely to be between 24-27 Sept, with the AV fit-out following. It was likely that some level of occupancy would commence around then.
- Mike Herbert asked about the contingency budget and Martin Jones confirmed that it was unlikely anything else would significantly impact on this now.

- Mike Herbert asked whether there was any potential for funding to be affected and Martin Jones confirmed that the project had hit all relevant milestones, negating the risk of clawback.
- Jonathan Vardon asked about plans for occupancy of the building between October and December. Martin Jones noted that a detailed timetable was in place, including staff training for the various systems in the building, and highlighted the cultural change project that was currently underway with Invisible Grail.
- Hannah Gibbard asked about the Staff Make Staffs programme and Ian Blachford confirmed that the Invisible Grail project interconnected with this.

**E3 FOR INFORMATION**

380 The Committee received for information the **\*Statutory compliance update\*** SR/15/05, introduced by the Pro Vice Chancellor – Digital, who noted that we continued to tackle those at the highest risk as a priority.

**FINANCIALS (F)**

**F2 FOR DISCUSSION AND/OR APPROVAL**

381 The Committee received for discussion the paper on **Recruitment and potential intakes for 2021-22** SR/15/06, introduced by the Chief Financial Officer, who noted the following principal points:

[Redacted content]

Members and attendees commented as follows:

[Redacted content]

**F3 FOR INFORMATION**

382	<p>The Committee received for information the <b>*Management Accounts to 31 March 2021*</b> SR/15/07, introduced by the Chief Financial Officer &amp; Deputy Chief Executive, who noted that although the University was not currently forecast to achieve its budgeted growth, its surplus had moved up and several contingencies were still held.</p> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>Colin Hughes underlined that given the previous unprecedented 12 months and current landscape, the position was extremely positive. (Sally McGill highlighted that the significant increase in apprenticeships provision had positively impacted the University's finances, noting that the contract with the four Midlands police forces for the next two years had now been secured.)</li> </ul> <p>The Committee agreed to refer the <b>*Management Accounts to 31 March 2021*</b> to the Board of Governors for information.</p>
383	<p>The Committee received for information the <b>*Treasury management report*</b> SR/15/08, introduced by the Chief Financial Officer &amp; Deputy Chief Executive,</p>
384	<p>The Committee received for information the <b>OfS grant draft budget</b> SR/15/09, introduced by the Chief Financial Officer &amp; Deputy Chief Executive, who noted the following main points:</p> <ul style="list-style-type: none"> <li>The consultation on the OfS grant allocation was currently still in progress, therefore grant allocation letters for 2021-22 were unlikely to be available until June 2021 at the earliest.</li> <li>The draft budgeted grant for 2021 shown in the paper had been generated using the HESES 2020 information and existing methodology. A contingency of £500k had been set aside in anticipation of any potential funding modifications that could affect the financial position in 2021-22.</li> <li>Also shown in the table for comparison purposes was the University's confirmed Grant allocation for the current year 2020-21 totalling £7,565k, as well as variance between this figure and the Budget allocation. The final column showed a comparison between the OfS estimate Grant under the consultation method and the 2020-21 actual allocation (this comparison was shown as these figures were provided within the OfS consultation documentation).</li> </ul>
385	<p>The Committee received for information the <b>Students' Union – outturn for 2020/21</b> SR/15/10, introduced by the Chief Financial Officer &amp; Deputy Chief Executive, who noted the following principal points:</p> <ul style="list-style-type: none"> <li>With reduced trading ability anticipated in 2020/21, as a result of avoiding mass gathering and with reduced occupancy and footfall, the Union reduced its staffing levels by 14% through voluntary redundancies and reduced hours, non-renewal of fixed term contracts, freezing core recruitment and halving its Union Team members.</li> <li>Despite this, the level of the anticipated reduction in trading (50% first term, 75% beyond), necessitated a deficit budget of £123,000 to maintain services, underwritten by the University.</li> <li>With restrictions through the 2020/21 academic year exceeding all expectations and recognising that the University operations had also been impacted by the pandemic, the Students' Union had worked to minimise the need to draw on the University underwriting of its forecast deficit, and achieve a break-even position, whilst delivering for students and protecting its people. The current forecast outturn would achieve this.</li> <li>A deficit in Student Activities groups' experience had been identified as a consequence of this year's limitations that could reduce the vibrancy on campus and opportunities for students to build their belonging at Staffs.</li> <li>The Union was currently working on budget scenario-planning for the next year and would be working with the University on improving its financial sustainability.</li> </ul>
386	<p>The Committee received for information the <b>Sustainability update</b> SR/15/11, introduced by the Chief Financial Officer &amp; Deputy Chief Executive, who noted the following principal points:</p> <ul style="list-style-type: none"> <li>The paper provided an update on the University's climate response and environmental sustainability activities in the context of the Sustainability Framework.</li> <li>Whilst the last Sustainability update focused on external accreditations and activity in the HE sector, this update looked at progress towards putting the enablers in place for the four themes.</li> <li>The paper also noted the Government's recent announcement on the change in the emissions targets for the UK, which would be factored into future planning.</li> <li>The University was working on decarbonisation targets and would update the Committee on these at the appropriate time.</li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>Colin Hughes commended the update, which was clear and encouraging.</li> </ul>
387	<p>The Committee received for information the <b>KPMG financial benchmarking review</b> SR/15/12, introduced by the Chief Financial Officer &amp; Deputy Chief Executive, which confirmed that the University was sustainable in terms of income and cash generation but that there was opportunity for growth in the areas of research and internationalisation.</p>

## HUMAN RESOURCES/EMPLOYMENT (H)

<b>H2 FOR DISCUSSION AND/OR APPROVAL</b>	
388	<p>The Committee received for discussion the <b>Cultural development programme update</b> SR/15/13, introduced by the Chief Operating Officer, who noted the following principal points:</p> <ul style="list-style-type: none"> <li>• The 'Staff Make Staffs' culture change programme continued to progress against the business plan, despite the impact of COVID19.</li> <li>• All School and Services had identified changes in their culture they were now working towards before a re-survey in approximately 12 months' time. These local-level action plans were supported by members of the Staff Make Staffs Steering Group and cultural champions appointed from across the University. Reports of progress against these action plans were reported formally each quarter and were RAG-rated so that additional support could be provided where needed.</li> <li>• As previously reported, at a University level we had identified four key themes from the feedback which will be the focus of the next 12 months, and embedded in the developing 'People Strategy' – these had now been allocated an Executive lead: <ul style="list-style-type: none"> <li>○ An inclusive approach to planning our future (Executive Lead: Martin Jones)</li> <li>○ An environment with innovation at its core (Executive Lead: Sally McGill)</li> <li>○ Dissolving silos and building intra team working (Executive Lead: Andrew Proctor)</li> <li>○ Developing people, harnessing talent (Executive Lead: Ian Blachford)</li> </ul> </li> <li>• The underpinning activities within each of these four key themes were currently being finalised. Meanwhile, there were already a number of interventions underway that were key building blocks for these four cross-University themes. The themes would then also fall within the same reporting cycle as the local-level action plans.</li> </ul> <p>Members and attendees commented as follows:</p> <ul style="list-style-type: none"> <li>• Jonathan Vardon asked about the use of pulse surveys to gauge the appropriateness of the direction of travel. Ian Blachford confirmed that some areas were already using these, but it was recognised that a range of monitoring measures was necessary to gain the most accurate picture possible. Colin Hughes underlined that qualitative staff engagement data was as important as quantitative and Martin Jones noted that the VC Connects and VC Breakfast sessions had been useful in this regard.</li> </ul>
<b>H3 FOR INFORMATION</b>	
389	The Committee received for information the <b>*Review of organisational structures and staff capability*</b> SR/15/14, which summarised the current position with restructures and leavers/new starters.
390	The Committee received for information a paper on the <b>*Cost of Living pay award*</b> SR/15/15, introduced by the Chief Operating Officer, who noted that UCEA had made a counter-offer to the union's proposal of a flat £2,500 increase.
<b>4 ADDITIONAL MATTERS</b>	
391	<p><b>How have we made a positive impact on our students today?</b></p> <p>It was agreed that discussions around portfolio (and delivery) development, as well as safeguarding the estate through rigorous compliance monitoring and environmental sustainability targets, would have a lasting positive impact on the student experience.</p>
392	There were no <b>additional matters</b> .
393	<p><b>Items to be referred to Audit and Risk Committee:</b></p> <p>NONE</p>
394	<p><b>Items to be referred to Board of Governors:</b></p> <p><b>a) Minute 382</b> – Management Accounts to 31 March 2021</p>
395	<b>Next meeting:</b> Tuesday 2 November 2021 (Boardroom, University House)